Asia Appendix B Summary Updates

1. JAPAN: BOJ-NET/Zengin Urgent Payment Differentiation:

Under the original xml V03 logic, we had grouped domestic urgent payments through either BOJ-Net or Zengin urgent using the same service level code URGP. It has now become clear a separation is required as corporates typically use BOJ-Net for treasury related transactions, whilst commercial (vendor) payments might be processed through the Zengin urgent option. Whilst Zengin supports a domestic batch option, it also enables 24/7, 365-day real-time, or near-real-time, crediting for transactions under ¥100 million. As banks are indicating they require corporates to indicate which clearing system is required, the current logic is no longer fit-for-purpose.

As BOJ-Net is a domestic RTGS system, this should logically retain the use of the standard service level code URGP as this aligns with standard CGI-MP usage globally. As the Japan Zengin System is an interbank clearing system that calculates net settlement positions for participating financial institutions, it is logical to separate the request for urgent Zengin transactions through the standard ISO service level code URNS, whilst retaining the existing NURG for the Zengin bulk processing.

The current logic is provided below:

Japan	**Domestic Urgent**	BOJ-Net/Zengin	**URGP**
	International/ Domestic FX	FX-YCS / SWIFT	**URGP**
	Domestic non-urgent	Zengin	**NURG**

Agreed Change: URNS used for Zengin urgent, URGP for BOJ-Net or FX-YCS and NURG for bulk/batch Zengin payments.

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2. JAPAN Account Type/Standardisation and Change Request:

A comparison of the existing proprietary account type codes with the ISO standard code list has highlighted a gap with a specific account type. As the focus is now on migrating away from proprietary codes, were it makes sense to standardise through a generic code list, a C/R will be raised to the ISO Payment SEG. The existing recommended local proprietary to ISO account type comparison is provided below:

ISO external code	ISO definition	For info: Equivalent Proprietary Code used by many banks	For info: Explanation Proprietary Code
CACC (Current)	Account used to post debits and credits when no specific account has been nominated.	TOUZ	**Current Account (Touza):** An account used normally by corporates as operational account for settlement.
SVGS	Account used for savings.	CHOC	**Savings Account (Chochiku)** Has withdrawal restrictions and offers higher interest rates than ordinary deposits.
OTHR	Account not otherwise specified.		Sonota account

Agreed Change: New external ISO code ODEP requested for Japan account type. APPROVED BY ISO PAYSEG

ISO external code (suggestion)	ISO definition (suggestion)	For info: Equivalent Proprietary Code used by many banks	For info: Explanation Proprietary Code
ODEP	Account used as ordinary deposit for everyday deposits and withdrawals.	FUTS	**Ordinary Deposit (Futsu)** A deposit account used for everyday deposits and withdrawals in Japan.

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3. JAPAN required transaction monitoring:

In Japan, the following information is used by the originator bank for required transaction monitoring and any necessary follow up with clients. It is not shared externally, nor is it subject to regulatory reporting.

a. Import Payments
For payments with the purpose Import, the following details must be provided:
1. Name of product
2. Place of origin
3. Region of shipment

b. Intermediary Trade Payments
For payments with the purpose Intermediary Trade, the following details must be provided:
1. Name of product
2. Place of origin
3. Region of shipment
4. Destination location (country)

As the CGI-MP aims to recommend a standard harmonised approach to in-country requirements to effectively remove bank proprietary logic, we propose to amend the current wording in Appendix B to the below:

Conditional. *Conditional. If purpose of funds is Import or Intermediary Trade, then the originator must provide further details: Name of product, Place of Origin, Region of Shipment, and in case of Intermediary Trade additionally Destination location (country). Additionally, apply slashes between the data or multiple occurrences.*

Agreed Change: Wording under element Information under Regulatory Reporting (CstmrCdtTrfInitn/PmtInf/CdtTrfTxInf/RgltryRptg/Dtls/Inf)..

```
<RgltryRptg>
    <DbtCdtRptgInd>DEBT</DbtCdtRptgInd>
    <Dtls>
        <!-- PURP = Purpose of Payment. Identifies the Code value-->
        <Tp>PURP</Tp>
        <!-- Regulatory Code required. Refer to the Notice on International
        <Cd>1000</Cd>
        <!-- If Code 1000 is used, If the payment purpose is Import, the wo
        <Inf>IMPORT/CLAM/CHINA/FUZHOU</Inf>
    </Dtls>
</RgltryRptg>
```

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4. INDIA: Migrate from Proprietary Local Instrument Code to an ISO Code for ACH/Bulk Clearing

In order to distinguish between different types of bulk net settlement domestic payment instruments in India, currently the CGI-MP guidelines recommend the use of a proprietary code in combination with the standard service level code URNS. As the CGI-MP is now looking to standardise the approach based on standard ISO external codes, we have now raised a C/R to the ISO Payment SEG to add two new External Local Instrument Codes.

The current logic is provided below:

Region	Country	Payment Type	Local Instrument Requirement	tag in V09 (CGI-MP guideline)
North America	**US**	Domestic non-urgent	Local entry class with codes **CCD, PPD, CTX, IAT** (additional codes could be supported based on individual bank service)	<SvcLvl><Cd>NURG <LclInstrm><Cd>
Asia Pacific	**India**	Domestic Non-Urgent (Net Settlement System)	Specify clearing system: **NEFT** or **NACH**	<SvcLvl><Cd>URNS <LclInstrm><Prtry>
Asia Pacific	**India**	Instant Payments	Specify clearing system: **IMPS** or **IUPI**	<SvcLvl><Cd>INST <LclInstrm><Prtry>

New Logic::

Payment via NACH clearing (net settlement):
Service Level Code = URNS, **Local Instrument Code = NACH**

Payment via NEFT clearing (net settlement)
Service Level Code = URNS, **Local Instrument Code = NEFT**

Agreed Change: New external ISO Local Instrument codes NACH and NEFT for India Domestic Net Settlement Payments. APPROVED BY ISO PAYSEG

Asia Appendix B Summary Updates – 5

5. INDIA: Migrate from Proprietary Local Instrument Code to an ISO Code for Instant Payment Clearing

In order to distinguish between different types of instant domestic payment instruments in India, currently the CGI-MP guidelines recommend the use of a proprietary code in combination with the standard service level code INST. As the CGI-MP is now looking to standardise the approach based on standard ISO external codes, we have now raised a C/R to the ISO Payment SEG to add two new External Local Instrument Codes.

The current logic is provided below:

Asia Pacific	**India**	Instant Payments	Specify clearing system: **IMPS** or **IUPI**	<SvcLvl><Cd>INST <LclInstrm><Prtry>

New Logic::

Instant payment via IMPS:
Service Level Code = INST, Local Instrument Code = **IMPS**
Instant payment via UPI:
Service Level Code = INST, Local Instrument Code = **IUPI**

Agreed Change: New external ISO Local Instrument codes IMPS and IUPI for India Domestic Net Settlement Payments.
APPROVED BY ISO PAYSEG

Asia Appendix B Summary Updates – 6

6. INDIA: New Proxy Code for Domestic Instant Payment Clearing

One of the India instant payment schemes has identified a need for a secondary scheme ID to allow differentiation with the most common primary ID. The current challenge is providing a consistent way for the corporate and banking community to indicate the UPI identification code as a form of proxy. Given the VPA (Virtual Payment Address) is the most common ID used as the proxy ID, we have raised a C/R for a secondary scheme ID in order to differentiate the validation of the proxy value compared to the primary ID (VPA).

New Logic::

Proxy Types Allowed by UPI	Data Type and Length Validations	ISO Code for Proxy Typ
Mobile number	Min 10 and Max 10 Numeric Values only	MBNO
VPA Address	Min 3 and Max 255 Alphanumeric values Valid Characters allowed are a-z, A-Z, 0-9, . (dot), - (hyphen)- This excludes the proxy extension/Upihandle which will have "@". Ex: testuser@okicici	SHID
UPI ID	Min 8 and Max 10 Numeric Values only	Proposed OSID

Agreed Change: New external ISO Proxy codes: OSID = Other Scheme Identification Number. APPROVED BY ISO PAYSEG